GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2440
ANSWERED ON:09.08.2005
IMPORT DUTY FREE SYSTEM
Chavda Shri Harisinh Pratapsinh;Renge Patil Shri Tukaram Ganpatrao

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the food items being brought into the country by multinational companies after implementation of import duty free system is affecting the Indian Farmers;

(b) if so, the details thereof and the names of food items which come under the purview of the said system;

(c) whether the Government propose to reconsider the system to solve this problem; and

(d) if so, the details in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a) to (d): Under the Duty Exemption Scheme, duty free import of inpirfe required for export production is permitted. These imports are permitted exclusively for use in export production and are not allowed to enter the domestic market for re-sale. Duty free import of items, including agricultural items, is also permitted under the Free Trade Agreement with Sri Lanka and under Treaty from Nepal. Representations have been received by the Government pointing out the adverse impact of duty free import of pepper from Sri Lanka and that of vanaspati from Nepal. To mitigate the adverse impact of duty free vanaspati import from Nepal, the total quantity has been limited to only 1,00,000 tonnes per annum with effect from 6.3.02. If imports under Free Trade/Preferential Trade Agreements cause injury to the domestic industry, remedial action is allowed as per the terms and conditions of the Agreement.